

ATTACHMENT 2 TO ANNEX 1  
(ADJUNTO 2 AL ANEXO 1)  
ILLUSTRATIVE SPECIAL OBJECTIVE BUDGET  
(PRESUPUESTO ILUSTRATIVO DEL OBJETIVO ESPECIAL)  
HURRICANE RECONSTRUCTION PROGRAM  
(PROGRAMA DE RECONSTRUCCION POR EL HURACAN)  
US DOLLARS  
(DOLARES ESTADOUNIDENSES)

Element (Elemento)	Activity Description (Descripción de la Actividad)	Current Obligation (Obligación Actual)	Accumulative Obligations (Obligaciones Acumuladas)	Remaining Obligation (Obligación Restante)	Value of Activity (Valor de la Actividad)
	<b>Emergency Road and Bridge Reconstruction Activity (Actividad de Emergencia de Reconstrucción de Caminos y Puentes) 522-0410.00</b>				
1	Road and Bridge Reconstruction (Reconstrucción de Caminos y de Puentes)	0	46,800,000	46,800,000	
2	Activity Management and Technical Assistance (Administración de la Actividad y Asistencia Técnica)	0	3,000,000	3,000,000	
3	Evaluations and Audits (Evaluaciones y Auditorías)	0	200,000	200,000	
	<b>TOTAL</b>	0	50,000,000	50,000,000	

\* Subject to the availability of funds and otherwise as provided in Section 3.1(b) of the Agreement.  
(\*Sujeto a la disponibilidad de fondos y tal como sea estipulada en la Sección 3.1(b) del Convenio.)

Attachment B  
(Adjunto B)

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Elemento (Elemento)	Activity Description (Descripción de la Actividad)	Initial Obligations (Obligaciones Iniciales)	Current Obligations (Obligaciones Actuales)	Available Activity (Máxima disponibilidad)
	Reactivation of the Economy through Agricultural Credit and Technologies (Actividad de Reactivación de la Economía a través de Crédito y Tecnologías Agrícolas) 522-0410.01			
1	Agricultural Credit (Crédito Agrícola)	0	19,000,000	19,000,000
2	Technology Transfer (Transferencia de Tecnologías)	0	16,000,000	16,000,000
3	Policy (Políticas)	0	3,000,000	3,000,000
4	Activity Management and Technical Assistance (Administración y Asistencia Técnica)	0	1,000,000	1,000,000
	<b>TOTAL</b>	0	39,000,000	39,000,000

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Element (Elemento)	Actividad/Descripción (Descripción de la Actividad)	This Obligation (Esta Obligación)	Cumulative Obligations (Obligaciones Acumulativas)	Life of Activity (Vida de la Actividad)
	Public Health Protected (Actividad de la Protección de la Salud Pública) 522-0410.03			
20	H-Rural/Water/Sanitation & Other Health Services (Agua/Saneamiento Rural & Otros Servicios de Salud)	2,920,000	2,920,000	2,920,000
21	H-Evaluations (Evaluaciones)	50,000	50,000	50,000
22	H-Audits (Auditoría)	30,000	30,000	30,000
	<b>TOTAL</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>

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Elemento (Elemento)	ACTIVIDAD/DESCRIPCION (DESCRIPCION DE LA ACTIVIDAD)	Actividad Obligatoria (Esas obligaciones)	Cumplimiento de obligaciones (Obligaciones cumplidas)	Actividad de actividad (Vivir de la actividad)
	Permanent Housing Developed for Displaced Families Activity (Actividad para el Desarrollo de Vivienda Permanente para Familias Desplazadas) 522-0410.04			
1	Housing (Vivienda) Activity Management and Technical Assistance (Administración de la Actividad y Asistencia Técnica)	0	17,143,000	17,143,000
2		0	857,000	857,000
	<b>TOTAL</b>	<b>0</b>	<b>18,000,000</b>	<b>18,000,000</b>

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Elemento (Elemento)	Actividad/Descripción (Descripción de la Actividad)	Este Obligación (Obligación)	Este Obligación (Obligación)	Este Obligación (Obligación)	Este Objetivo de Actividad (Objetivo de Actividad)
10 11	Public Health Protected (Protección de la Salud Pública) 522-0410.03 MD-Urban Water and Sanitation (Agua y Saneamiento Urbano) MD-Audits (Auditorías)	0 0	74,800,000 200,000	74,800,000 200,000	74,800,000 200,000
	<b>SUBTOTAL</b>	0	75,000,000	75,000,000	75,000,000
	Improved Responsiveness of Local Government to Citizen Needs Activity (Mejoramiento de la Respuesta del Gobierno Local a las Necesidades de los Ciudadanos) 522-0410.05				
1	Mitigation Infrastructure (Infraestructura de Mitigación)	0	17,777,000	17,777,000	
2	Equipment (Equipo)	0	1,213,000	1,213,000	
3	Technical Assistance and Training (Asistencia Técnica y Capacitación)	0	4,596,000	4,596,000	
4	Activity Management (Administración)	0	229,000	229,000	
5	Evaluations (Evaluaciones)	0	60,000	60,000	
6	Audits (Auditorías)	0	125,000	125,000	
	<b>SUBTOTAL</b>	0	24,000,000	24,000,000	
	<b>TOTAL</b>	0	99,000,000	99,000,000	

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## Attachment C to Amendment 5

### Attachment 8 to Annex I

#### Activity Description for the Component for the Public Health Protected Activity

##### I. EXECUTIVE SUMMARY

The component for the Public Health Protected Activity (referred to herein as the "Public Health Activity") is designed to help communities respond to the increased risks to public health resulting from Hurricane Mitch by:

- Expanding community-level maternal/child health care services in Hurricane affected areas through training local health care workers and community volunteers and implementing a national child health campaign;
- Repairing damaged health centers and replacing equipment;
- Increasing infectious disease control services by training Environmental Health Technicians.

To achieve this objective, USAID will work closely with the Ministry of Health (MOH). Other activities essential to protecting public health, such as (a) the rehabilitation of urban water and sanitation systems and (b) the improvement of infectious disease surveillance, are expected to be conducted under the Municipal Development Activity and the U.S. Department of Health & Human Services/Centers for Disease Control regional program, respectively. Additional activities with the National Water and Sewer Authority (SANAA) and non-governmental organizations may be added at a later date.

##### II. PROBLEM STATEMENT

**A. Health of Mothers and Children** – Prior to Hurricane Mitch, the problem was already serious: 60% of households were consuming less than 80% of the calories needed for good health, almost 40% of children under age five were chronically malnourished, and over 20% suffered weight for age undernutrition. As a result of Hurricane Mitch, over a million people were displaced from their homes or had their homes damaged. In the areas most affected by the Hurricane, the loss of homes and access to safe water and sanitation, plus the loss of crops and family food resources and income, clearly exacerbated the already poor nutritional status of children and their mothers. The post-Hurricane increase in diarrheal and respiratory infections has further affected the health status of families--especially young children and their mothers already

nutritionally deprived. Children and mothers--especially those from poor, rural families--are at much higher risk in the areas most affected by the Hurricane.

**B. Damaged and Impaired Functioning of Health Centers** - Of the total 1,100 health centers in Honduras, the MOH reported that 123 were damaged or destroyed, along with equipment in many of them. In the MOH-identified areas where there has been damage to health facilities and their equipment, effective functioning of the health service providers is hampered. A major unmet need is, therefore, to provide new equipment to the damaged centers, which have been repaired with funds provided earlier by USAID. Hurricane Mitch also significantly decreased health care services by impeding access to them throughout the country because of damaged bridges, impassable roads and rivers with new courses and water levels. Thus, today the ability of mostly rural families to reach health care services at all times has greatly decreased. High-risk expectant mothers and ill children must rely on community-level health facilities and services more than ever. At this level, there is a need to refurbish a number of maternal/infant clinics, which are key to addressing high-risk births and infant care. In addition, there is a shortage of minimally equipped ambulance-type vehicles that permit maternal/infant clinic staff to monitor high-risk deliveries or bring women with complications to care quickly. Likewise, in the areas implementing expanded child survival services, vehicles are needed for field training and follow-up.

**C. Disease Surveillance** - Immediately following Hurricane Mitch, it became evident that the system for tracking and reporting diseases could not provide accurate, timely data and analysis to enable health leaders to determine the nature and seriousness of the situation and plan action accordingly. There were large numbers of reported disease cases, some wildly inflated or misreported. The MOH was without an adequate information base and lacked staff with skills needed to identify and control outbreaks of preventable diseases. The MOH recognized this gap in its structure and has emphasized its desire to urgently overhaul and strengthen its disease surveillance and health information systems.

### **III. DESCRIPTION OF ACTIVITIES**

#### **A. Expanded Community-Level Maternal/Child Health (MCH) Care Services**

To accomplish this result, the following activities may be financed under this Activity: (1) Expansion of successful health programs to additional areas of the country that were affected by Hurricane Mitch and (2) the introduction of a series of other key maternal/child survival activities.

## **1. Training & Technical Assistance for Health Care Personnel and Volunteers Implementing Expanded Maternal/Child Health Programs**

Based on the increased need for appropriate, accessible local health care, funds under the Public Health Activity may be provided to the MOH to expand and improve maternal and child health services in up to thirty-two Health Areas of seven Health Regions identified by the MOH and agreed to by USAID, covering a population of approximately 1,500,000 Hondurans. These funds will be used by the MOH to expand its AIEPI program ("Atención Integral a las Enfermedades Prevalentes de la Infancia"), an integrated program of childhood illness management for trained health care providers at rural health facilities, and the AIN ("Atención Integral a la Niñez") community-level program for integrated child health care, which complements the AIEPI program. The MOH will also begin training for its new AIM program ("Atención Integral a la Mujer") in integrated women's health care. These programs include such activities as immunization, child growth monitoring and health promotion, primary care of diarrhea and respiratory diseases, prenatal, delivery and emergency obstetric care for mothers, treatment of the most serious childhood diseases, as well as other primary health care services focussing on women and children. Funds under this Activity may be used to cover, among other things, AIEPI, AIN and AIM costs such as immediate training and technical assistance to health care providers and volunteers, selection of AIN community volunteers, training and educational materials, infant weighing scales, etc.

Training participants will be health care providers, community-level health care workers, and local health volunteers. Since training materials have already been developed for both AIEPI and AIN, funds under this Activity are expected to be used for identifying, contracting, and paying the necessary trainers, arranging logistics (e.g. hotel, per diem, reproduction of materials, etc.), and paying certain participants' expenses. Training materials for the AIM program will be developed by the MOH. With regard to the AIM program, funds provided by USAID under this Activity are expected to be used only for implementation and follow-up of the training. To assure coordinated planning, timely implementation of training, and application of training in the field, funding provided by USAID under this Activity may be used for the salaries, travel expenses, and benefits of a Reconstruction Field Program Coordinator and Technical Implementation Specialist, who are expected to be contracted by a private financial/administrative services firm (FASF). Trainers will be managed by this two-person team and also hired by the FASF on an as needed basis. Funds under this Activity may be used for the MOH to provide follow-up supervision and technical support over the short and long-term to assure effective implementation. To facilitate this implementation and follow-up, funds under this Activity may be used by USAID to purchase up to 11 pick-up trucks for use by MOH Health Area personnel. USAID may use funds under this Activity to obtain key technical assistance for activity planning and implementation to assure effective quality control.

## **2. Ambulances**

To help people, especially high-risk mothers in labor and ill children obtain access to the nearest, appropriate health facility, transportation is key. Thus, funds under this Activity may be used by USAID to purchase up to 10 ambulances for MOH-identified, rural maternal infant clinics and one ambulance for a large hospital maternity unit that serves mostly rural populations.

## **3. National Child Health Information, Education, and Communication (IEC) Campaign**

Funds under this Activity may be used to finance certain costs related to a national information, education, and communication campaign focused on child survival. The objective of the campaign is to improve basic health knowledge and health behavior, specifically addressing the heightened risks to child health following the Hurricane. This campaign will use various methods (radio, posters, etc.) to reach target populations throughout the country. Previously developed information/education materials will be used but may require some adaptation. Funds provided for this Activity may be used by USAID to provide, among other things, technical assistance to the MOH for planning the communication strategy, developing implementation plans, identifying and selecting a communications agency, and monitoring and evaluating the results.

## **4. NGO Health Activities**

In addition to the MOH programs through its national network of rural health posts and clinics, there are numerous non-governmental organizations active in Honduras. To expand and complement the MOH's work, funds may be obligated separately under this Agreement for a cross-cutting community-based non-governmental organization (NGO) programs activity to support certain programs of community-based NGOs working in hurricane-affected areas to meet maternal/child health needs of these regions – especially in rural areas.

### **B. Damaged Health Centers Repaired and Equipment Replaced**

Funds under this Activity may be used to finance the repair of certain maternal/infant clinics and the equipping of certain damaged health centers, as identified by the MOH and agreed by USAID. Equipment to be financed may include low-tech diagnostic and treatment equipment such as stethoscopes, blood pressure gauges, and scales, as well as standard clinic furniture such as patient chairs, tables, and drug storage cabinets. The goal is to assure that communities can respond to their own health care needs when access to larger, urban health facilities is severely diminished or completely cut off.

The procedures to be followed to contract for these repair services and to monitor programs under these contracts will be set forth in an Implementation

Letter. Equipment is expected to be purchased through the private sector financial/administrative services firm, using contracting procedures similar to those established under the Health Sector II Project (522-0216).

### **C. Infectious Disease Control Services Increased**

Funds under this Activity may be used to provide training for up to an additional 233 of the MOH's Environmental Health Technicians to lead improvements in disease prevention and reporting for malaria, dengue, and tuberculosis control nationwide.

## **IV. IMPLEMENTATION PLAN**

### **A. Implementation Instruments**

USAID and the Grantee agree that subactivities under the Public Health Activity will be funded through a number of mechanisms which may include any or all of the following:

1. USAID direct contracts for the acquisition of services (such as for financial/administrative services, evaluations and audits) and/or goods (such as for vehicles, construction materials, equipment and/or supplies); and
2. Work orders under certain existing USAID Indefinite Quantity Contracts (IQC's) or USAID/Global or regional projects such as Basics II Child Survival Project, for activities such as technical assistance with the national child health campaign; and
3. Other USAID-direct contracts, grants and/or cooperative agreements with other U.S.-based or local NGOs or private sector firms to support other elements of the Public Health Protected Activity or to supplement or replace any of the foregoing arrangements should USAID determine that to be appropriate or necessary.

### **B. Other Implementation Arrangements**

Acquisition of services (e.g. hiring technical assistance such as the Field Program Coordinator and Technical Specialist to implement activities on behalf of the MOH and USAID or a private advertising agency to implement the national child health campaign) and/or goods (such as for local construction materials, equipment and/or supplies) will be carried out through a private financial/administrative services firm that acts as the program financial manager for the MOH activities as described in Section V.D.1. of this Description.

For such activities, USAID and the Grantee expect to rely primarily on the contracting requirements and procedures established under the Health Sector II Project No. 522-0216. Such arrangements will be reflected in Implementation Letters to this Agreement, as appropriate.

## **V. ROLES AND RESPONSIBILITIES**

### **A. Key Implementing Organizations**

#### **1. Grantee: Government of Honduras**

The Grantee has designated the MOH as the governmental organization at the national level with primary responsibility for the Grantee's role in the Public Health Activity as more fully described below:

##### **a. Ministry of Health**

The Ministry of Health has overall responsibility for rural health activities in Honduras. Thus, the Ministry and its regional and area health offices are the key counterparts for both USAID and NGOs that are planning and implementing health programs in the affected area that are being financed under this Activity. With the regard to the maternal/child health activities of MOH and NGO health care providers being financed under this Activity, the MOH agrees to:

- i. provide program technical direction, support, and coordination through the contracted Reconstruction Field Program Coordinator and Technical Implementation Specialist;
- ii. participate in the selection of trainers, cooperate with trainers, provide them or the private financial/administrative services firm with copies of the training materials (AIEPI, AIN, AIM, etc.), and oversee the implementation of training
- iii. provide all salaries to its central and field staff involved in service delivery and follow-up. Funds under this Activity may be used to pay "per diem" costs for MOH employees, implementing USAID-funded activities as more fully described in a future Implementation Letter;
- iv. insure that the repaired health centers are re-equipped and restored to operational effectiveness;
- v. coordinate with the selected private ad agency and the USAID technical assistance group on the national

- child survival IEC campaign and approve the campaign before it is launched;
- vi. participate with USAID in the selection and training of the environmental health technicians;
- vii. report results quarterly on all programs to USAID and participate in any evaluations;
- viii. cooperate with NGOs that are active in health programs financed under this Activity; and
- ix. monitor, as appropriate, the construction of health facilities, as described in future Implementation Letters.

## **2. USAID/Honduras**

The Health Strategic Objective Team will have primary responsibility for USAID's role in the Public Health Activity.

## **3. Financial/Administrative Services Firm (FASF)**

The FASF under a USAID-direct contract is expected to contract personnel to work on activities described in this Activity Description such as Reconstruction Field Program Coordinator and a Technical Implementation Specialist to work on public-sector based health activities and closely coordinating with USAID.

# **VI. MONITORING, REPORTING, EVALUATION AND ACCOUNTABILITY**

## **A. Monitoring Results through Performance Indicators**

The specific results, indicators and targets for achievement under the Public Health Activity are set forth in Section III of Annex I to the Agreement.

## **B. Activity Monitoring & Reporting**

All implementing/recipient entities, such as contractors, direct grantees, subgrantees, and GOH entities, will be required to submit workplans to USAID for approval; to develop performance monitoring plans; and to incorporate performance measures in their quarterly progress reports in a manner acceptable to USAID as more fully described below:

- 1. Work Plans and Budgets:** Before beginning activities, the implementing recipient entities will submit work plans and budgets in lempiras to USAID for comment, review and approval. The plans will cover the full implementation period (approximately two and one-half years) in relation to benchmarks and results. The due date for such plans will be established by USAID and communicated to the implementing/recipient entities. Modifications to the work plan and/or budget will require prior approval by USAID. USAID will review and approve these work plans in accordance with procedures established by USAID and agreed to by the Grantee.
- 2. Annual & Quarterly Reports:** USAID will require quarterly and annual performance reports describing achievements. The due date will be set by USAID. These reports will be used by USAID to assess the contractor's and/or recipients' progress toward achieving benchmarks and results. Future funding decisions may be based on these reports. Reports will include a discussion of the status of activities, problems/issues identified during the reporting period, and corrective actions taken or proposed. Reporting requirements similar to the above and for the same purposes will be incorporated into the contracts for the technical field supervisors. These reports will also form the basis for periodic program and subprogram reviews expected to be held semi-annually.
- 3. Final Reports:** All implementing agencies, such as contractors, grantees, or subgrantees, and PSCs, will be required to submit a final report before the completion date of the respective contract or agreement. The reports will cover the entire period of the contract or agreement and will include an overall description of activities performed, a description of employed methodologies, a summary of major accomplishments and failures, comments and recommendations regarding unfinished work and/or program continuation and direction, and a final fiscal report that outlines how the USAID funds were used.

#### **C. External Evaluation**

The results of all subactivities are expected to be evaluated by an external private sector organization to assess the overall effectiveness and efficiency of the program. USAID will determine the requirements for this evaluation.

#### **D. Accountability and Transparency Mechanisms**

- 1. For GOH Agencies:** USAID plans to use a system similar to the one used under the current Health Sector II Project. Under this system, USAID would contract a private sector firm to provide general financial/administrative services (FASF). This firm would act as the program financial manager, responsible for procurement, local contracting, payment, and disbursement

for the MOH, and assuring that all procurements and payments are made in accordance with USAID regulations and approved work plans. This private firm would be directly responsible for managing and accounting for Public Health Activity funds, disbursing advances, and processing liquidations of funds for the MOH offices and to suppliers with the exception of USAID-direct procurements.

The internal audit teams of the MOH would continue to provide oversight. In addition to the forementioned responsibilities, the FASF will be required to act as a Concurrent Audit Team (CAT), reviewing 100% of all financial and procurement actions. As a CAT, the FASF would be required to simultaneously report its findings on a regular basis to the USAID/Honduras Controller's Office and the Health Strategic Objective Team, as well as the appropriate GOH Offices, including the Controller General of the Republic (CGR) of Honduras. The USAID Regional Inspector General (RIG) may periodically audit the FASF.

2. **General:** All activities under the Public Health Activity will be subject to the required monitoring and oversight routinely provided by USAID, GOH oversight entities (e.g., the Ministry of Finance and the Controller General), the USAID Regional Inspector General, and/or external audits and/or external evaluations, directly contracted by USAID.

## VII. FINANCIAL PLAN

### A. Dollar Resources

The illustrative financial plan for the dollar resources for the Public Health Activity is included as part of the illustrative financial plan for this Agreement (Attachment 2 to Annex I to the Agreement), as described in Section VII of Annex I to the Agreement.